

## Message Text

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14

ACTION COME-00

INFO OCT-01 ARA-16 ISO-00 EB-11 RSC-01 DRC-01 SCEM-02

INT-08 AID-20 CIAE-00 FRB-02 INR-10 NSAE-00 TRSE-00

XMB-07 OPIC-12 CIEP-02 OMB-01 L-03 /097 W

----- 036962

R 072030Z SEP 73

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 8539

INFO AMCONSUL GUAYAQUIL

LIMITED OFFICIAL USE QUITO 4682

E.O. 11652: N/A

TAGS: ENRG, EC

SUBJECT: MCKEE BID ON PETROLEUM REFINERY

REF: QUITO 4361; STATE 169223

1. EMBOFF DISCUSSED REFINERY SITUATION WITH HORACIO SEVILLA, PETROLEUM ADVISOR IN MINISTRY OF FOREIGN RELATIONS. ALTHOUGH SEVILLA IS NOT A MEMBER OF ANY INTER-MINISTERIAL COMMITTEES REVIEWING REFINERY BIDS, HE IS FOLLOWING SUBJECT CLOSELY. HE REVEIALED THAT GOE IS DEEPLY DISAPPOINTED WITH ALL FOUR BIDS AS SUBMITTED AND HE SAID FLATLY THAT THE GOE WILL NOT AWARD CONTRACT TO ANY OF THESE FIRMS ON THE TERMS THAT HAVE BEEN PROPOSED. HE SAID THE GOE EXPECTS THE FOUR FIRMS TO REVISE THEIR OFFERS TO MAKE THEM MORE FAVORABLE TO ECUADOR.

2. SEVILLA EXPRESSED A FAILURE TO UNDERSTAND WHY MCKEE BID AT ALL SINCE ITS BID DOES NOT CONFORM WITH GOE INSISTENCE ON LUMP SUM BIDDING. EMBOFF EXPLAINED MCKEE'S RATIONALE AND EXPRESSED OUR BELIEF THAT MCKEE MADE BEST PROPOSAL. SEVILLA URGED THAT MCKEE MAKE AN AMPLIFIED REVISED BID AND INDICATED THAT GOE WOULD BE RECEPTIVE NOT ONLY TO REVISED OFFERS FROM PRESENT BIDDERS BUT ALSO TO LIMITED OFFICIAL USE

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PROPOSALS FROM OTHER FIRMS.

3. COMMENT: IN VIEW OF MCKEE'S TURN DOWN (AS REPORTED  
STATE REFTTEL) OF EMBASSY'S EARLIER SUGGESTION THAT IT RE-  
VISE ITS BID AND ITS APPARENT WILLINGNESS TO ACCEPT RISK  
OF PROBABLE DISQUALIFICATION ON JURIDICAL GROUNDS,  
COMMERCE MAY WISH TO SOUND OUT OTHER FIRMS (INCLUDING  
FISH ENGINEERING AND CONSTRUCTION) WHICH WERE ONCE INTERESTED  
IN BIDDING ON THE REFINERY FOR POSSIBLE INTEREST IN THE CON-  
TRACT. WE CAN ONLY CONCLUDE FROM MCKEE'S RESPONSE THAT IT  
IS NOT SERIOUSLY INTERESTED IN OBTAINING THE CONTRACT. WE  
STILL BELIEVE MCKEE COULD WIN IF THE COMPANY PRESENTED A  
SOUND FIRM OFFER.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, REFINERIES, PROPOSALS (BID)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973QUITO04682  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** QUITO  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1973/newtext/t19730948/aaaabjnn.tel  
**Line Count:** 74  
**Locator:** TEXT ON-LINE  
**Office:** ACTION COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** QUITO 4361; STATE 169223  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 18 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <18-Jan-2002 by martinjw>; APPROVED <08 FEB 2002 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MCKEE BID ON PETROLEUM REFINERY  
**TAGS:** ENRG, EC, (SEVILLA, HOACIO)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005